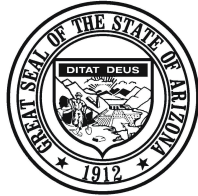


ARIZONA BINGO REVIEW



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What Senate Bill 1040 Means To You

The changes made affecting
*A.R.S. 5-405, Form of
license; display* do not affect
licensees directly. Under the
old law, every time a
licensee added or removed a
proceeds coordinator,
supervisor or assistant DOR
had to mail a new license to
the licensee showing the
change made. Because

changes sometimes occurred
2 or 3 times in a week for a
single licensee, this often
caused backlogs. Under the
new law, you are only
required to post a new
license upon renewal or
when the manager changes.
Licensees must continue to
notify DOR of these position
changes.

Satellite Bingo Is Not Permitted Under Arizona Law

We have had several
inquiries into whether
satellite bingo is permitted
under Arizona law. Based
on information from the
Washington Charity Satellite
Bingo Internet site, satellite
bingo is not permitted under
Arizona law. The primary
reason is that under Arizona
law each bingo occasion is
required to be conducted at a
single location or premises.
A.R.S. § 5-401(23) defines
premises as “any room, hall,
building, enclosure or
outdoor area used for the
purpose of playing a game of
bingo.” The statute further
provides that the “[p]remises
shall not be subdivided to
provide multiple premises.”
A satellite bingo operation
that unites multiple bingo
charities at various bingo
halls would not be

conducting bingo games at a
single premises.
It also appears that satellite
bingo is inconsistent with
other Arizona bingo statutes.
Under A.R.S. § 5-406 (B),
except for class A licensees,
only members of the licensee
may participate in
conducting any bingo game
held by the licensee. Under
A.R.S. § 5-406(E), games of
bingo shall only be
conducted with equipment
owned by the bingo licensee,
or jointly by not more than
six licensees. Under A.R.S.
§ 5-406(P), prizes are limited
to \$1,000 per bingo game
and \$3,000 per occasion.
Under A.R.S. § 5-406(V),
only persons who are
physically present on the
premises may participate in a
game of bingo.

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IRS Considers Paid Workers Employees

It has been brought to our attention that some licensees may not be paying social security, worker’s comp or unemployment taxes for their compensated bingo workers. If you are paying anyone to work at an occasion, the IRS considers these workers employees and you must file and pay withholding taxes to IRS and the state. We suggest you contact IRS or the Department of Revenue with any questions at:Phoenix (602) 255-2060 or other Arizona areas (800) 843-7196

A Friendly Reminder

If you intend to cancel your bingo occasions for the summer, you must notify us of the date you intend to stop and the date you intend to start again.

Questions and Answers

Question: If we need a person listed on our bingo license to work a game that has purchased bingo cards, can they turn in their cards and work the game?

Answer: Yes, as long as the first number has not been called and the worker is refunded their purchase amount.

Question: How many supervisors have to be present during the occasion?

Answer: At least one supervisor must be present **AT ALL TIMES.**

Question: Can we play pick your own number bingo?

Answer: No. The bingo “card” is defined by a rule which says, “...bears numbers or symbols arranged in five parallel rows within each row containing five numbered or symbolized spaces with the exception of one center “free space”. The cards used in pick your own number games are blank except for the free space. They don’t meet the definition of “card” and are therefore illegal.

Question: If I am an assistant on two licenses, can I be a supervisor on another?

Answer: Yes. You can be a Manager, Proceeds Coordinator, or Supervisor, on only one license. However, you can be an assistant on as many licenses as you want. Class B and C licensees must remember the membership requirement.

Question: I just took over our Class A bingo license, and someone told me everyone who works needs to fill out an affidavit. Is that correct?

Answer: No. Only the workers who are Managers, Proceeds Coordinators, or Supervisors need to submit an affidavit. Helpers or assistants do not need to complete an affidavit on a Class A license.

Question: What if a player playing a strip of three cards has a bingo on two cards while another player, also playing three cards, has a bingo on one card. How do you pay off?

Answer: You would divide the prize by three, because there are three winning patterns. The first player would receive two thirds of the prize, and the second player would receive one third of the prize.

Question: Can we deposit a donation made to our organization into our bingo account?

Answer: No. Pursuant to A.R.S. 5-407.D., all monies collected or received from the sale of admission, extra regular cards, special game cards, sale of supplies and all other receipts from the game of bingo shall be deposited in a special account of the licensee which shall contain only such money.

Question: When do we have to send in a letter requesting authorization to donate to another organization?

Answer: A.R.S. 5-406.H.4 requires the licensee to request permission in cases where the licensee might exceed five percent of the net proceeds as a donation to other than a local, state or national parent organization.

Therefore, if your donation is to your local, state or national parent organization, you do not need prior approval to make the donation. The donation does need to be recorded on Schedule II

of the financial report covering the period in which the donation is made.

However, if the donation is to an organization other than stated above and the individual donation exceeds 5% of the net proceeds for the previous quarter, you do need prior approval to make the donation.

Example:

Net proceeds of January	
March report	\$5,000.00
5% of net proceeds is	\$ 250.00
Donations made during April - May:	
Boy Scouts of America	200.00
Girl Scouts of America	500.00

The donation to Girl Scouts of America is the only donation that will require prior approval from us.

All donations need to be listed on Schedule II of the financial report covering the period the donation was made.

Do You Have Internet Access?

The Department is taking a survey to determine how many bingo licensees have access to the Internet. The Department is developing an internet web site so licensees can download any of our bingo forms, access or download the bingo statutes or rules, read the current newsletter, or e-mail us any questions or amendments to their license. If you have access to the Internet, please e-mail us at:

bingo@revenue.state.az.us

Balancing Your Financial Report

In processing your financial reports, we have noticed that many are incorrect due to math errors or in reporting incorrect operating expenses. If you follow the enclosed form, it will assist you in the preparation of your financial reports. Please photocopy it and use it each time you prepare your report.

